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C O N F I D E N T I A L SECTION 01 OF 02 CONAKRY 000548

SIPDIS
SENSITIVE

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TAGS: [ECON](#) [EMIN](#) [EINV](#) [ECPS](#) [ENRG](#) [ETRD](#) [PGOV](#) [PREL](#) [GV](#)
SUBJECT: ECONOMIC DECREES SHOW INCREASED CNDD ECONOMIC
INTERFERENCE

REF: CONAKRY 00499

Classified By: ECONOFF BRIANA WARNER FOR REASONS 1.4 (B) AND (D)

11. (U) SUMMARY: The President of the CNDD, Moussa Dadis Camara, has issued several decrees since August 20 that indicate increased CNDD interference in the private sector. Most notably, Dadis created the Secretariat in Charge of Mines, imposed a fee on cellular communication, and demanded that companies appoint military officers to leadership positions. The CNDD may be enacting these measures as a means of leveraging their own influence over lucrative industries. END SUMMARY.

POPULIST APPOINTMENT

12. (SBU) On August 20, Dadis announced the creation of the Secretariat in Charge of Mines and Energy, appointing Kadiatou Balde, the former Director of Energy, to head this office. According to contacts within the Ministry of Mines and Energy, this position was created in order to facilitate greater cooperation between the mining and energy sectors. Reportedly, Balde will be charged with ensuring that the Ministry focuses substantial effort toward solving Guinea's chronic electricity problems. According to sources outside of the Ministry, Balde's appointment is intended to bolster Dadis' "electricity for all" campaign.

PRIVATE SECTOR HIRINGS

13. (C) On September 5, Dadis announced that Societe Ashanti de Guinee (SAG), a subsidiary of AngloGold Ashanti, would appoint Major Fayimba Camara, to the position of Deputy Director of Operations. He also declared that Guinea Alumina Corporation (GAC), a joint-venture bauxite mining and alumina refining interest between Global Alumina International, BHP Billiton, Dubai Aluminum Company, and Mubadala Development Company, would be appointing a Red Beret, Lt. Barry, as military advisor for the company.

14. (C) According to Abdoulaye Yero Balde, a Project Director for Guinea Alumina, the company never received notice of the decree before it was issued, making it difficult for the company to refuse Barry's appointment. "For now," he said, "we will just wait to see if he shows up. I am not sure exactly how we can use him. This is clear patronage." Lt. Barry still had not come to officially claim his "position" as of September 9.

¶5. (C) This is not the first time that the Embassy has heard reports of forced military appointments within the private sector. On August 28, Joe Poraj-Wilczynski, a program security officer for BHP Billiton, told the Embassy that the Chef de Cabinet in the Ministry of Defense passed a letter to BHP demanding that they instate a Guinean Lieutenant as Project Director. Lt. Bemba, to whom the position was promised, allegedly came to work on August 17 in uniform prepared for his "position" within the company. Poraj-Wilczynski said that BHP is resisting any such overtures by the Guinean military and will not be paying Bemba's salary. Balde told Econoff that BHP maintains this position and has continued to refuse Bemba's appointment.

¶6. (C) Poraj-Wilczynski also indicated that several other unnamed companies have been approached by the military to appoint officers to key positions with hefty salaries. Some companies other than SAG have allegedly acquiesced to this military pressure and are paying executive salaries to military personnel.

CELLULAR COMPANY FEES

¶7. (C) According to sources within the cellular communications sector, the CNDD plans to charge cellular companies a twelve-cent fee for every call made or received

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within their networks. The decree, a written notification to all the main cellular companies, demands that the extra fee go directly to the GOG. A contact at Cellcom, one of the main cellular communications companies in Guinea, told the Embassy that only a small portion of the extra fee will actually go toward the government budget, while the rest will go toward lining pockets. According to Cellcom, the cost will most likely be passed on to customers.

COMMENT

¶8. (C) With military appointments to private sector positions and the creation of new Secretariats, the CNDD appears to be trying to muscle its way into the private sector. The creation of the Secretariat of State in Charge of Mines and Energy may be a desperate move to gain popularity among Guineans who are increasingly without electricity. It may also be an effort to consolidate control under a parallel administration to the Ministry of Mines and Energy (reftel). By appointing military personnel to high-paying positions in private companies, Dadis may be trying to neutralize possible adversaries within the military while exerting influence over international companies.
BROKENSHIRE